

**Bureau of  
Workers'  
Disability  
Compensation**

**1998  
Annual  
Report**



**CIS**

*Serving Michigan...Serving You...*

**Department of  
Consumer & Industry Services**

**John Engler, Governor**

*State of Michigan*

Kathleen M. Wilbur, Director

*Department of Consumer & Industry Services*

Jack F. Wheatley, Director

*Bureau of Workers' Disability Compensation*

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## *Overview*

Before 1912, a worker who was injured in the course of his or her employment could sue his or her employer in a civil or “tort” action, which was the same remedy available to a person injured under other circumstances. The tort remedy, however, had certain problems. It required the worker to prove that the injury occurred because the employer was negligent and the employer had three important defenses: (1) that the worker was also negligent, (2) that the worker knew of the dangers involved and “assumed the risk,” or (3) that the injury occurred because of the negligence of a “fellow employee.” Under this system it was very difficult for workers to recover against their employers. If they did win, however, they could receive virtually whatever damages a jury wanted to give them.

In 1912 Michigan, along with most other states, adopted a Workmen’s Compensation Act. The new remedy is essentially a “no-fault” system under which a worker no longer has to prove negligence on the part of the employer, and the employer’s three defenses were eliminated. The intent of the new law was to require an employer to compensate a worker for any injury suffered on the job, regardless of the existence of any fault or whose it might be.

In return for this almost automatic liability, the Act limited the amount that a worker could recover. Workers are now entitled only to (1) certain wage loss benefits, (2) the cost of medical treatment, and (3) certain rehabilitation services. Recovery under workers’ compensation is limited to these three areas, no matter how serious the injury.

Nearly all employers in Michigan are covered by workers’ compensation. This includes both public and private employers. In fact, when talking about workers’ compensation, it is easier to discuss the exceptions. There are a few classes of workers who are covered by federal laws and are not covered by the Workers’ Disability Compensation Act of Michigan. Employees of the federal government (such as postal workers, employees at a veterans administration hospital, or members of the armed forces) are covered by federal laws. People who work on interstate railroads are covered by the Federal Employers Liability Act. Seamen on navigable waters are covered by the Merchant Marine Act of 1920, and people loading and unloading vessels are covered by the Longshoremen’s and Harbor Workers’ Compensation Act. Virtually all other workers and employers are subject to Michigan’s law.

Certain very small employers are exempt. If a private employer has three or more employees at any one time, or employs one or more workers for 35 or more hours per week for 13 or more weeks, the employer is subject to the Workers’ Disability Compensation Act. (Section 115)

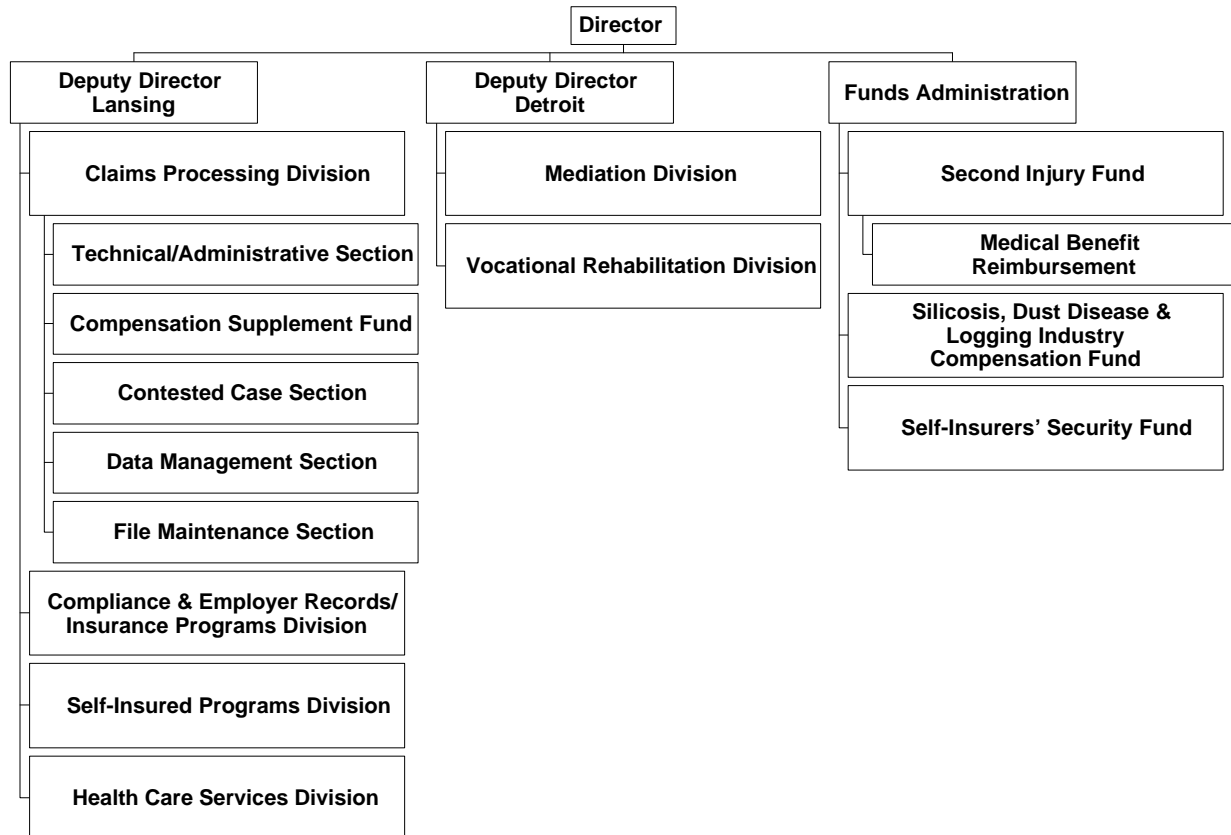
## ***1998 Highlights***

- ◆ Comprehensive Website on-line. Customers are now able to download forms and publications, access a hearing site clickable map, appellate commission opinions and press releases.
- ◆ Additional training provided for bureau mediators.
- ◆ Workload and region assignments reviewed for both magistrates and mediators to ensure balanced workload as well as adequate number and location of hearing sites.
- ◆ Funds Administration conducted a customer satisfaction survey of their permanent and total disability direct pay claimants.
- ◆ The Self-Insured Programs Division implemented a database information system that produces statistical data and permits daily follow up and communication with the customer.
- ◆ Reduction in cases more than 12 months old from 4,610 in December 1997 to 4,064 in December 1998.
- ◆ Lost-time claims over seven days declined from 56,005 in 1997 to 52,481 in 1998.
- ◆ As a result of a subcommittee with the Workers' Compensation Section of the State Bar of Michigan, guidelines were developed to reduce the amount of unnecessary correspondence being placed in contested case files.
- ◆ Appellate Commission resolved the remaining cases that originated under the now defunct Appeal Board.

## ***What to look for in 1999***

- ◆ Provider Information Pamphlet to be published beginning in April 1999. The purpose of this pamphlet is to assist providers with workers' compensation health care services rule requirements by providing answers to common questions regarding billing, procedure codes, complaints and disputes.
- ◆ Revisions in administrative rules to take effect May 1999.
- ◆ Funds Administration Information System (FAIS) to go on-line in June 1999.
- ◆ 1-800 # to be introduced for use by all participants in the workers' compensation system.

# Organizational Chart





## ***How to Contact Us***

### ***The bureau is located at:***

Michigan Dept. of Consumer & Industry Services  
Bureau of Workers' Disability Compensation  
7150 Harris Drive  
PO Box 30016  
Lansing, Michigan 48909

***Website address:*** [www.cis.state.mi.us/wkrcomp](http://www.cis.state.mi.us/wkrcomp)

### ***Division phone numbers:***

General Information	(517) 322-1884
Director's Office/Administration Jack F. Wheatley, Director	(517) 322-1296
Deputy Director's Office/Administration Bruno Czyrka, Deputy Director	(517) 322-1106
Claims Processing Division Connie Carroll, Administrator	(517) 322-1881
Mediation Division	(517) 322-1106
Self-Insured Programs Division Dennis Stinson, Administrator	(517) 322-1868
Compliance & Employer Records Division Cheryl Cornellier, Administrator	(517) 322-1195
Vocational Rehabilitation Division Douglas Langham, Administrator	(517) 322-1866
Health Care Services Division Saundra Ford, Administrator	(517) 322-5433
Funds Administration Terry Torkko, Acting Funds Administrator	(517) 241-8999
Board of Magistrates Craig Petersen, Chairperson	(517) 241-9380
Appellate Commission Jürgen Skoppek, Chairperson	(517) 334-9719



## ***Office Locations***

<b>Location</b>	<b>Address</b>	<b>Magistrate</b>	<b>Mediator</b>
<b>Ann Arbor</b>	2117 W. Stadium 48103	(734) 665-9616	(734) 665-9616
<b>Detroit</b>	State of MI Plaza Building 1200 Sixth Street, 12 <sup>th</sup> Floor 48226	(313) 256-2770	(313) 256-2770
<b>Escanaba</b>	State Office Building 305 Ludington 49829	(906) 786-2081	(906) 786-2081
<b>Flint</b>	Bristol West Center G-1388 W. Bristol Rd. 48507	(810) 760-2618	(810) 760-2618
<b>Grand Rapids</b>	2942 Fuller Street NE 49505	(616) 447-2680	(616) 447-2670
<b>Kalamazoo</b>	4203 W. Main 49006	(616) 337-3630	(616) 337-3630
<b>Lansing</b>	2501 Woodlake Circle, Okemos P.O. Box 30016 48909	(517) 241-9380	(517) 241-9393
<b>Mt. Clemens</b>	10 <sup>th</sup> Floor, Old County Building 10 N. Main 48043	(810) 463-6577	(810) 463-6577
<b>Pontiac</b>	28 N. Saginaw, NBD Building Suite 1310 48342	(248) 334-2497	(248) 334-2497
<b>Saginaw</b>	State Office Building 411-K E. Genesee 48607	(517) 758-1768	(517) 758-1768
<b>Traverse City</b>	Grand View Plaza, 3 <sup>rd</sup> Floor 10850 Traverse City Hwy. 49684	(616) 922-5430	(906) 786-2081 *Escanaba

# *Administration*

The mission of the Bureau of Workers' Disability Compensation is to administer the Workers' Disability Compensation Act of 1969, as amended, in order to facilitate timely benefit payments to injured employees at a reasonable cost to employers. To this end we dedicate ourselves to carry out this responsibility and to serve the public promptly, courteously, and impartially.

## Goals:

- ◆ Ensure that employees that have suffered a work related injury are provided correct wage loss replacement, medical and vocational rehabilitation services during periods of incapacity, and that these benefits are paid timely and accurately.
- ◆ Provide leadership to carry out a legislative agenda for more efficient regulation and delivery of workers' compensation benefits.
- ◆ Provide an information dispute resolution process for employers, insurance carriers, and injured employees through mediation.
- ◆ Monitor medical provider's compliance with health care rules to assure that costs of providing health care services remain reasonable.
- ◆ Monitor the financial position of all individual and group self-insureds to assure their ability to meet future payment of benefits on a timely basis.
- ◆ Maintain a historical record system for the more than 200,000 employers subject to the Workers' Disability Compensation Act.
- ◆ Monitor and enforce employers' compliance with the requirements for insurance coverage.

There are several ongoing projects that not only cross divisions to affect the entire bureau but will positively impact the bureau's ability to provide information in a timely manner. Michigan is planning to implement Electronic Data Interchange (EDI) in the claims and insurance areas. This process will allow carriers and self-insureds to file their forms electronically. We hope to begin programming in late 1999, once all year-2000 issues have been resolved. This project is in conjunction with the International Association of Industrial Accident Boards and Commissions (IAIABC).

The Bureau of Workers' Disability Compensation is also pleased about the development of our Internet web site. Much has been added during 1998 to make the site more comprehensive and user-friendly. This site contains a variety of information about the bureau, the Board of Magistrates and the Workers' Compensation Appellate Commission, and is regularly updated. The address is [www.cis.state.mi.us/wkrcomp](http://www.cis.state.mi.us/wkrcomp).

## *Claims Processing*

The Claims Processing Division maintains a current and historical claims/case records system. Its objective is to ensure that employees that have suffered work related injuries are provided correct wage loss replacement and that both voluntary claims and litigated cases are processed in a timely manner.

The Claims Processing Division performs a wide variety of functions as it relates to workers' compensation claims. The program is broken down into four major sections:

- ◆ *File Maintenance.* The File Maintenance Section staff prepares bureau mail for filming and date stamping. This preparation includes opening, sorting, screening, and matching bureau forms and correspondence. This section is also responsible for housing and maintaining workers' compensation cases that are in open paying status or awaiting bureau forms which will determine the file location.
- ◆ *Data Management.* The Data Management Section staff is responsible for keying claim forms and related material onto the bureau's automated system, WORCS. Although WORCS audits the majority of all claims forms, there are some claims that have to be manually audited. This unit is also responsible for collecting and auditing redemption fees.
- ◆ *Contested Case.* The Contested Case Section staff processes applications for mediation or hearing by creating paper case files, scheduling parties for the initial mediation hearing or pretrial, mailing orders and memorandum issued by magistrates and mediators, handling all mail related to litigated cases, and keying all orders on WORCS.
- ◆ *Technical Administrative.* Activities of all sections are coordinated through the Technical Administrative Section. Other activities performed by the Technical Administrative Section staff include establishing policies/procedures, finalizing personnel transactions, maintaining/updating the bureau's retention/disposal schedule, approving carrier and self-insured's customized versions of bureau forms, overseeing the automated system, providing technical support to personal computer users, coordinating personal computer and other equipment acquisitions, preparing form/supply orders for bureau staff and the workers' compensation community, and microfilming bureau mail.

In 1998, the division processed 440,259 forms and correspondence relating to claims/case records. As a result, there were 64,879 Employer's Basic Report of Injury forms filed and 21,368 new contested cases established. The Division was able to close 40,610 cases.

The Compensation Supplement Fund is a program administered within the Claims Processing Division of the bureau. The Compensation Supplement Fund provides supplemental benefits to employees whose weekly compensation benefits were based on personal injury dates between September 1, 1965 and December 31, 1979 as mandated in Sections 418.352 and 418.291 of the Workers' Disability Compensation Act. The amount of the supplement, which is paid in addition to the basic weekly compensation rate, is determined by the percentage change in the state average weekly wage from the year the employee was injured to 1981 (inflation factors can be found on page 21). In 1998, 4,968 claims fell within the provisions of this fund. From January 1, 1998 through December 31, 1998, the Compensation Supplement Fund disbursed \$1,445,481 in payments and provided \$8,777,355 in Single Business Tax Credits.

# *Mediation*

The Mediation Division came into being as a result of Public Act 103 of 1985, which required the mediation of certain cases filed in the system. Prior to this, the bureau had, on an informal basis, provided a very limited form of mediation by the use of four consultants within the bureau. The purpose of the Mediation Division is to resolve cases between employers and employees in an informal setting. We believe that more cases could be resolved without formal disputes if the parties would contact a mediator. These individuals are available to answer questions and try to assist workers in resolving problems without the necessity of going through the formal litigation process. The Mediation Division has nine field offices established throughout the state to provide services to employers and claimants. The division shares clerical support and office space with the Board of Magistrates in a number of locations.

Mediation is a negotiation process where two or more people involved in a dispute sit down together in private, with a neutral person (a mediator) and allow the mediator to assist them in working out a solution to their problem. During the mediation, all parties involved in the dispute explain the problem situation as they see it and present their ideas for how they think the matter can be resolved. The mediator aids the parties to develop a realistic workable solution to the dispute. It is the role of the mediator to assist employees, employers, carriers, attorneys and all parties involved in workers' compensation in understanding the general process and to advise employees and employers so that they understand their respective rights and obligations. It is also the responsibility of the mediator to advise employees as to the benefits provided in the Workers' Compensation Act and the procedures used by carriers in providing such benefits and advise employees of what actions they may take if there are disputes. If the matter is not resolved at the mediation hearing, it will be assigned to a magistrate and given a trial.

Hearings held by mediators:

- ◆ *Statutory Mediation (Formal)*. Section 223 of the statute provides for mandatory mediation in specific cases being disputed. They are: all applications for hearing filed by an injured employee without an attorney, all medical only disputes, all closed periods of disability being alleged and any other disputes that the bureau feels would be assisted by mediation. In 1998 the bureau held 7,625 formal mediation hearings and resolved 52%.

- ◆ *Non-statutory Mediation (Informal).* No application for mediation or hearing is filed. The parties call or write and the mediator schedules conferences by telephone or the parties attend scheduled conferences before the mediator. Any workers' compensation problem can be scheduled for a non-statutory mediation conference. In 1998 the bureau held 263 informal mediation hearings and resolved 86%.
- ◆ *Vocational Rehabilitation Mediation.* Disputes concerning vocational rehabilitation are referred first to mediators. The goal of the mediator in a vocational rehabilitation hearing is to attempt to facilitate a voluntary agreement between the parties as to the most appropriate course of vocational rehabilitation for the workers. The mediator will do everything within their power to bring the parties to an agreement about the best course of rehabilitation for the worker and will then issue an order. In 1998, 504 applications for hearing on vocational rehabilitation issues were set before the mediators. Of these they wrote orders or memorandums on 299 vocational rehabilitation cases and resolved 127 to magistrates for redemption.
- ◆ *Health Care Mediation.* In addition, mediators heard 7,929 cases involving health care services rules in 1998 and resolved 98%.

The Mediation Division held hearings on 471 files referred by magistrates. The division received and made more than 85,500 phone calls related to workers' compensation problems and assisted 806 people who walked into our bureau offices with problems concerning workers' compensation.

## ***Vocational Rehabilitation***

The Vocational Rehabilitation Division is responsible for ensuring that employers provide rehabilitation services according to the provisions of the Act and that the injured employees accept such services. The division provides information and assistance to all parties, approves rehabilitation facilities, monitors ongoing rehabilitation programs, and conducts periodic training seminars.

Research on vocational rehabilitation has demonstrated several important findings:

- ◆ Intervention time is critical. The chances of success for vocational rehabilitation increase dramatically if the process begins early;
- ◆ The most successful course for vocational rehabilitation is a return to work with the same employer; and
- ◆ The costs of vocational rehabilitation are relatively small when compared with the costs of disability benefits that are saved when the employee returns to work.

Employers who invest in rehabilitation and disability management programs have found that they can help their employees while saving money at the same time. The injured workers are able to return to work and earn a wage. The employers are able to reduce their compensable loss exposure, improve employee relations, and increase productivity. In 1998, a total of 3,760 injured workers were assisted back to work with rehabilitation.



## ***Compliance and Employer Records***

The Compliance and Employer Records Division works to ensure that all employers subject to the Michigan Workers' Disability Compensation Act have complied with the requirements by securing workers' compensation coverage either through a policy of insurance or through approved self-insurance.

The division maintains the current and historical record system for over 200,000 employers. This includes coverage records on self-insurers, employers with insurance, and employers who have excluded themselves from the Act. In addition, this division has the responsibility to enforce employers' compliance with insurance requirements of the statute.

The major objectives of this program are:

- ◆ To keep an accurate insurance coverage record;
- ◆ To identify the responsible insurance carriers for employers listed on applications for mediation or hearing; and
- ◆ To communicate with those employers who fail to maintain insurance coverage, using the civil process to enforce such compliance if the employer fails to comply even after being advised of the requirements of the statute by division staff.

Since 1983, workers' compensation insurance premiums in Michigan have been set in the marketplace. This means that different companies charge different premiums. Research done by the Insurance Commissioner suggests that some employers should "shop around" for the best deal on insurance. All workers' compensation insurance policies provide the same coverage. However, some cost more than others and some companies provide more services than others. Employers should shop for the best price and the most service from their workers' compensation insurance company. Proof that competitive workers' compensation in Michigan is successful is the fact that for 1997 only 4.6% of the workers' compensation premium in Michigan is written in the assigned risk pool compared to 7.7% nationally.

## ***Self-Insured Programs***

The Workers' Disability Compensation Act permits employers to request authority to self-insure and assume responsibility for direct payment of benefits to injured workers. The Act also permits providers of claims adjusting, underwriting and loss control services to apply and be approved by the bureau to provide these services to approved self-insurers.

Two types of self-insured authority are permitted in the Act. Individual employers may be approved as self-insured or, two or more employers in the same industry can apply for group self-insured authority. Statutory requirements, administrative rules and bureau policy require annual renewal applications and various monitoring and approval tasks throughout the year.

The Self-Insured Programs Division conducts initial regulatory reviews on employer-generated self-insured applications and in the formation of group self-insured programs; provides guidance through the approval or formation and review process; and issues decisions that detail the required security and exposure limiting devices based on statutory authority and the bureau's established policy. Initial and annual regulatory reviews are also conducted on service company applications. The staff works to resolve all issues and disputes (excluding claims) generated by self-insured employers by telephone or informal meetings and as a last resort through the formal hearing process. The division also provides information to the public relevant to self-insured concepts and notifies self-insured employers and other interested parties of changes in statute, administrative rules and department policy.

This division is also the final approval authority in surplus dividend returned to the group membership. This process requires the review and assessment of financial statements, actuarial reports and independent claims and audit reports. Surplus return authorizations range between \$35,000,000 and \$90,000,000 annually.

## *Health Care Services*

The Health Care Services Division performs a wide variety of functions mandated in section 418.315 of the Workers' Disability Compensation Act of 1969, as amended. The responsibilities called for in the Act can be categorized as follows: (1) Rule Development, Review and Revision, (2) Evaluation, and (3) Information and Education. A brief summary that delineates the responsibilities of each category is below:

- ◆ *Rule Development, Review and Revision.* The Act and the Workers' Compensation Health Care Services Rules identify policies for coverage and reimbursement to health care providers. Health care trends and policies are researched and developed by staff and Health Care Services (HCS) Advisory Committee members in accordance with nationally recognized standards of practice and reimbursement methodologies. Annual reviews of the Workers' Compensation Health Care Services Rules are conducted with the HCS Advisory Committee. Draft materials for information and action for rule revision are prepared by staff for the HCS Advisory Committee and Task Forces. Public hearings are held relative to proposed rule changes.
- ◆ *Evaluation.* The evaluation process consists of compiling carrier data and analyzing charges, payments, health care procedures and medical diagnosis. The results of the data analysis are used to decide reimbursement levels, utilization parameters, and level of care diagnosis. Provider and carrier compliance is also monitored through the case samples and other reports provided by carriers. Carrier's professional review process is also certified by staff to assure that appropriate medical review criteria are utilized according to Rule requirements. Carriers must also attest that professional review staff are licensed and certified as required by Workers' Compensation Health Care Services Rules.
- ◆ *Information and Education.* Staff responds to numerous telephone and written inquiries for information and clarification of the rules, assists in resolving differences between a carrier and a provider, meets with provider, carrier and employee organizations, professional review companies, attorneys, mediators, magistrates and legislators. Staff also provides educational seminars for providers, carriers and professional review agencies regarding the application of the rules, billing procedures, carrier and provider responsibilities and rights outlined in the rules. Staff also participates on panels and programs on workers' compensation health care.

## ***Funds Administration***

The Funds Administration, consisting of the Second Injury Fund; Silicosis, Dust Disease and Logging Industry Compensation Fund; Self-Insurers' Security Fund; and the Uninsured Employers' Security Fund, is managed by a board of three trustees. Two trustees are appointed by the Governor with the advice and consent of the Senate. One represents employers authorized to act as self-insurers in Michigan and the second represents the insurance industry. The third trustee is the director of the Bureau of Workers' Disability Compensation.

Responsibilities of the Funds Administration are defined within the Workers' Disability Compensation Act. Applicable sections of the Act are Sections 351, 356(1), 361(3), 372, and 862. Applicable chapters of the Act are Chapters 5 and 9.

The Uninsured Employers' Security Fund (UESF) was activated with the passage of Senate Bill 570, Public Act 357, effective July 1, 1996. The fund has \$22,156,619.03 to distribute to injured workers with dates of injury from June 29, 1990 through June 30, 1996. All claims must be resolved before June 1, 2000, when the fund is abolished. There were 1,869 claims to be resolved. All UESF claims have been assigned to staff and 171 were still pending at the end of 1998.

The Funds Administration handled approximately 4,887 cases during 1998: 751 were in litigation; 2,656 were direct payment or reimbursement cases; and 751 cases being worked on by staff were not in payment/reimbursement or litigation status. At the close of the calendar year, the Funds Administration had 1,687 open files.

The total expenses for the Funds Administration during 1998 were \$35,627,539. Benefit payments were \$30,444,424, and administrative costs equaled \$5,183,115. Complete fiscal and calendar year accounting may be obtained from the Funds Administration Office.

## ***Board of Magistrates***

Section 213 of Public Act 103 of 1985 authorizes formation of the Board of Magistrates as an autonomous entity in the Department of Consumer & Industry Services. The Board of Magistrates consists of thirty members that are appointed by the Governor and confirmed by the Senate, and is responsible for hearing contested cases filed after March 31, 1986. Each magistrate must be a licensed attorney in this state, and either pass an exam or have five years of experience in workers' compensation. A magistrate cannot be reappointed after serving a total of 12 years.

Magistrates decide cases at the trial level of the contested process of the workers' compensation system. All resolutions require a formal written order or opinion with findings of fact and conclusions of law. Parties to a decision may stipulate to modify or correct a decision within 30 days. Additionally, the board is responsible for hearing any dispute meeting the requirements for the Small Claims Division established under Section 841 of Public Act 103 of 1985.

During 1998, the pending caseload of the agency continued to decline by 562 cases. This was the sixth consecutive year that the pending caseload declined. Over the last several years, the magistrates have consistently disposed of more cases than new cases received (charts can be found on pages 22 and 23).

It is the continued goal of the agency to provide prompt, fair resolution of contested workers' compensation claims filed with the agency and adequately render formal written opinions within 45 days from the close of the record.

## ***Workers' Compensation Appellate Commission***

The administrative process for the adjudication of workers' disability compensation claims in Michigan is divided between the Bureau of Workers' Disability Compensation, the Board of Magistrates (hearing level), and the Workers' Compensation Appellate Commission (appellate level). By statute, these agencies function independently within the Department of Consumer & Industry Services.

Established in 1987 by Public Act 103, the Appellate Commission was created as a remedial measure to reduce or eliminate delays in the appellate process. Seven attorneys, appointed to serve four-year terms as commissioners, constitute the Commission. One commissioner is designated as chairperson and has general supervisory control over staff and operations. Classified employees provide support for the commissioners.

After a decision has been made and an order written (by a member of the Board of Magistrates or the director of the Bureau of Workers' Disability Compensation) regarding a claim for disability benefits, vocational rehabilitation, or a redemption agreement, any party disagreeing with the written order has 30 days from the mailed date to file an appeal with the Commission. Redemptions have a 15 day appeal period.

Overall, an appeal takes approximately eight months to perfect. Transcripts, in most cases, are to be filed within 60 days of the filing date of an appeal. The appealing party's brief is to be filed within 30 days after the transcript has been filed. The appellee's brief is due within 30 days thereafter. However, each party may request, and are usually allowed, one 60-day extension to file their brief. After these required filings have been received, an appeal is considered "perfected."

Perfected appeals are then taken under active review, with the Commission focusing on only those issues raised by the appealing party or parties. Written opinions are published that provide qualitative and quantitative analysis of the evidence presented to support the magistrate's findings of fact, and/or whether the conclusions of law need to be corrected or clarified.

Any party in disagreement with the Commission's findings has 30 days from the mailed date stamped on the opinion to request that the record be certified to the Court of Appeals. The request must be made in writing and submitted to the Commission along with the filing fee. Upon expiration of the 30-day appellate window, the Commission's opinion is final and binding on all parties.

# **Statistics & Charts**



STATE AVERAGE WEEKLY WAGE (SAWW) AND MAXIMUM BENEFIT AMOUNTS					
Year	SAWW	90% of SAWW (Maximum)	2/3 of SAWW*	50% of SAWW (Minimum Benefit for Death Cases)	25% of SAWW (Minimum Benefit for Specific Loss and P&T)
1982	\$340.45	\$307.00	\$226.97	\$170.23	\$85.11
1983	\$358.89	\$324.00	\$239.26	\$179.45	\$89.72
1984	\$370.65	\$334.00	\$247.10	\$185.33	\$92.66
1985	\$397.48	\$358.00	\$264.99	\$198.74	\$99.37
1986	\$414.70	\$374.00	\$276.47	\$207.35	\$103.68
1987	\$433.91	\$391.00	\$289.27	\$216.96	\$108.48
1988	\$440.77	\$397.00	\$293.85	\$220.39	\$110.19
1989	\$454.15	\$409.00	\$302.77	\$227.08	\$113.54
1990	\$474.22	\$427.00	\$316.15	\$237.11	\$118.56
1991	\$477.40	\$430.00	\$318.27	\$238.70	\$119.35
1992	\$489.01	\$441.00	\$326.01	\$244.51	\$122.25
1993	\$506.80	\$457.00	\$337.87	\$253.40	\$126.70
1994	\$527.29	\$475.00	\$351.53	\$263.65	\$131.82
1995	\$554.22	\$499.00	\$369.48	\$277.11	\$138.56
1996	\$581.39	\$524.00	\$387.59	\$290.70	\$145.35
1997	\$591.18	\$533.00	\$394.12	\$295.59	\$147.80
1998	\$614.10	\$553.00	\$409.40	\$307.05	\$153.53
1999	\$644.06	\$580.00	\$429.37	\$322.03	\$161.02

\* Discontinued fringe benefits may not be used to raise the weekly benefits above this amount. Attorney fees may not be based on a benefit rate higher than this amount.

<b>Compensation Supplement Fund Inflation Factors</b>			
<b>Dates of Injury (Dates Inclusive)</b>	<b>Inflation Factor</b>	<b>Dates of Injury (Dates Inclusive)</b>	<b>Inflation Factor</b>
9/1/65 to 12/31/68	.886	1/1/74 to 12/31/74	.407
1/1/69 to 12/31/69	.796	1/1/75 to 12/31/75	.340
1/1/70 to 12/31/70	.710	1/1/76 to 12/31/76	.276
1/1/71 to 12/31/71	.629	1/1/77 to 12/31/77	.216
1/1/72 to 12/31/72	.551	1/1/78 to 12/31/78	.158
1/1/73 to 12/31/73	.477	1/1/79 to 12/31/79	.103

### Aged Case Distribution Chart

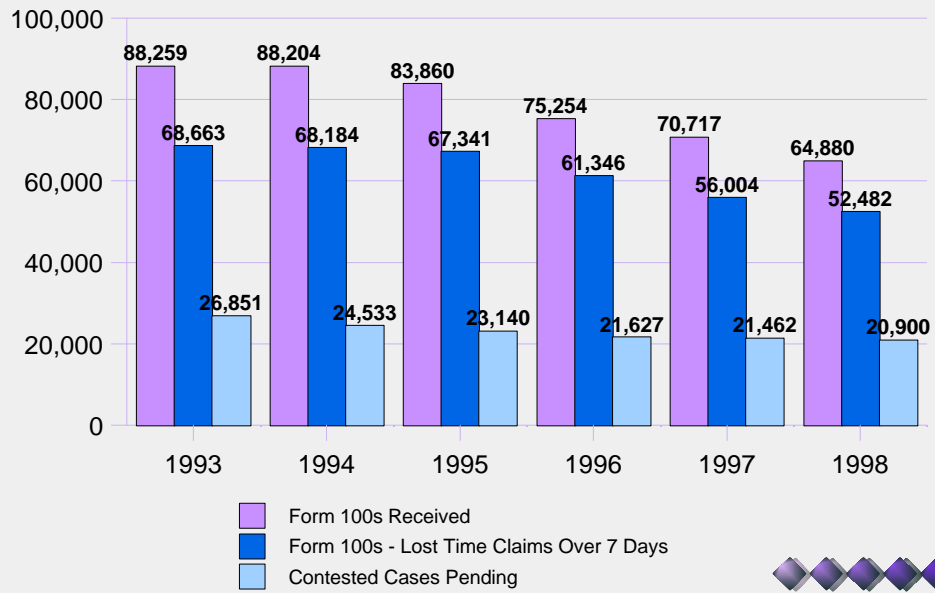
#### Michigan Workers' Compensation

	1994	1995	1996	1998
<b>0 - 12 Months</b>	13,608	14,018	13,152	12,502
<b>13 - 18 Months</b>	3,228	2,728	2,677	2,622
<b>19 - 24 Months</b>	1,894	1,299	1,155	958
<b>Over 24 Months</b>	1,797	1,283	778	484
<b>Total Docket Load</b>	20,527	19,328	17,762	16,566

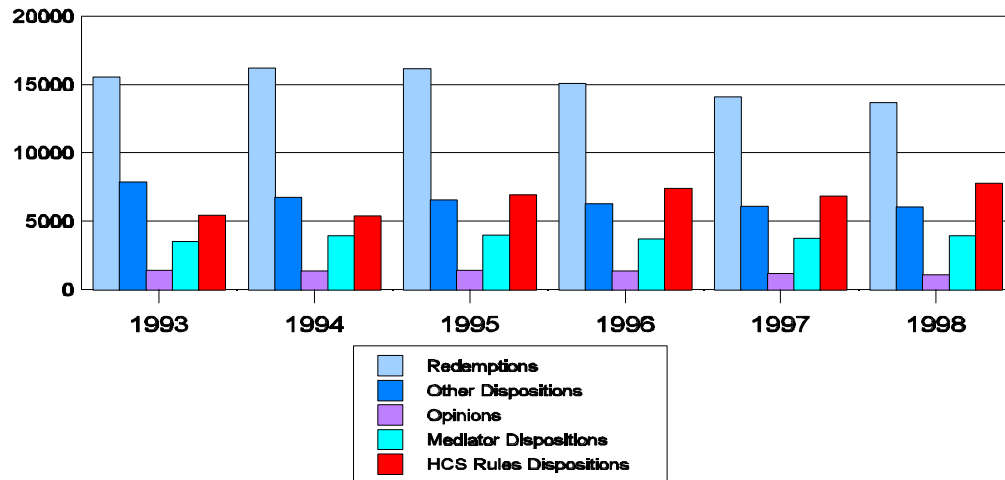


## Claim/Case Trends

### Michigan Workers' Compensation



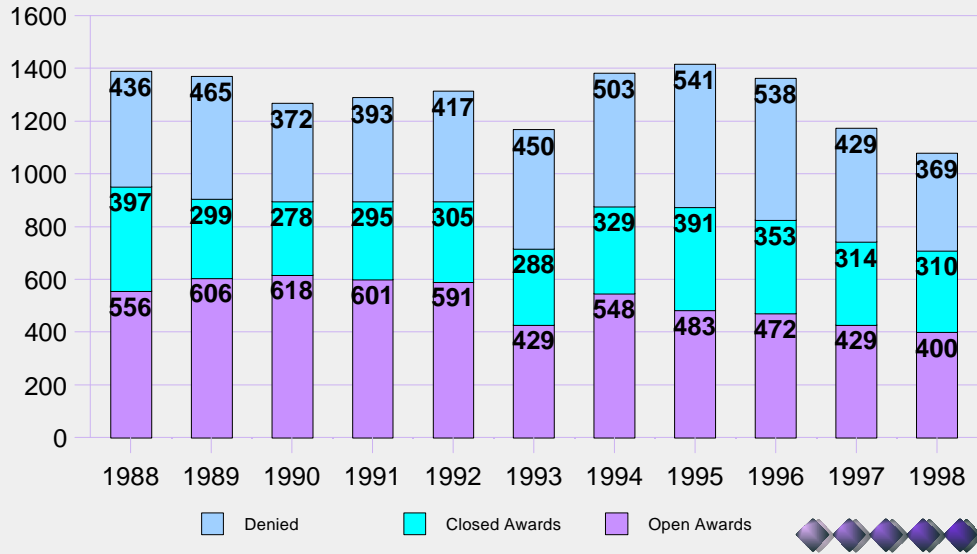
# Contested Case Dispositions



Year	Redemptions	Other Dispositions	Opinions	Mediator Dispositions	Health Care Services Rules Dispositions
1993	15,542	7,857	1,394	3,544	5,446
1994	16,208	6,746	1,380	3,923	5,376
1995	16,146	6,552	1,415	3,971	6,935
1996	15,070	6,299	1,363	3,686	7,405
1997	14,085	6,093	1,172	3,757	6,825
1998	13,696	6,043	1,079	3,958	7,759

## Results of Workers' Compensation Trends 1988-1998

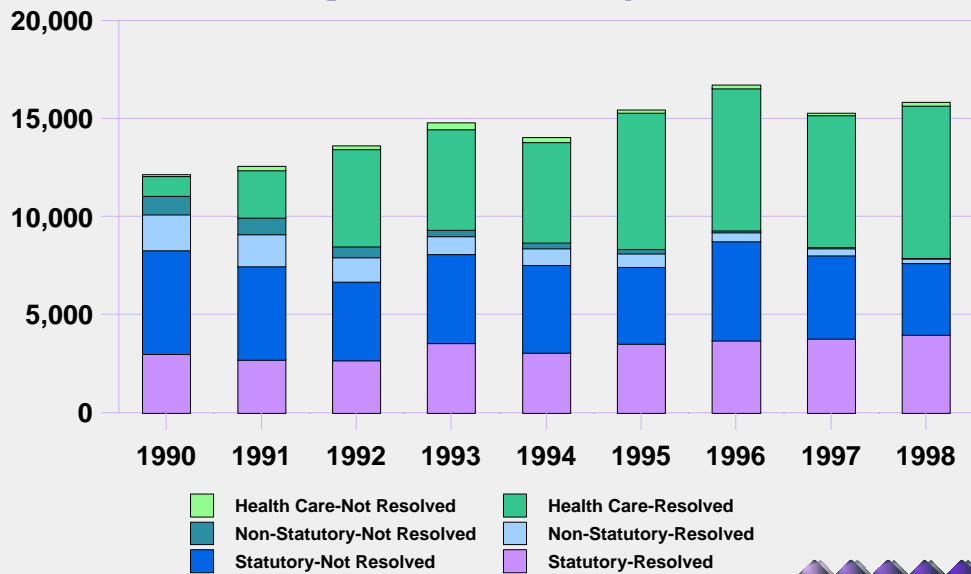
### Michigan Workers' Compensation



## Mediation

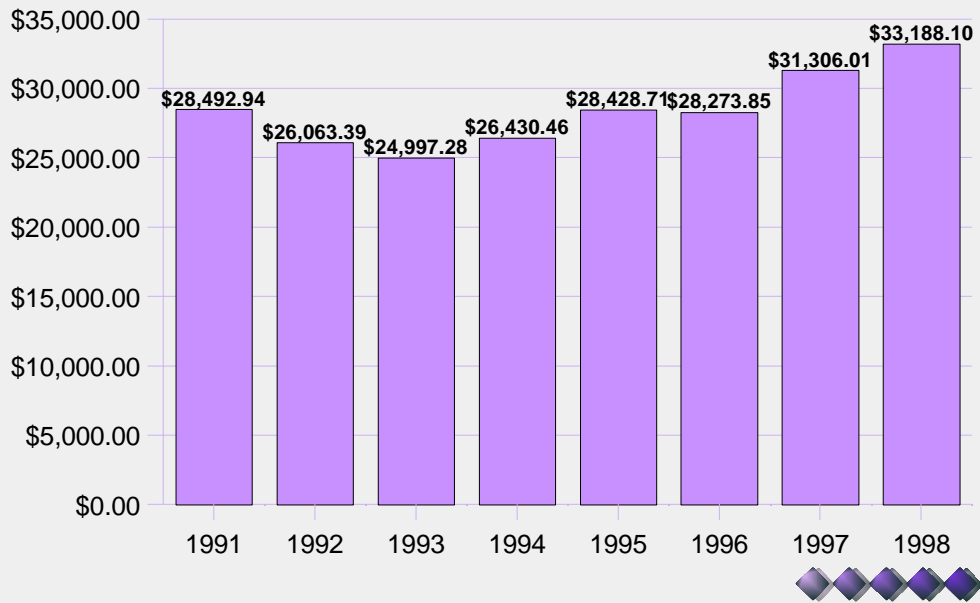
(This chart does not include VR & Magistrate Referral Hearings)

### Michigan Workers' Compensation



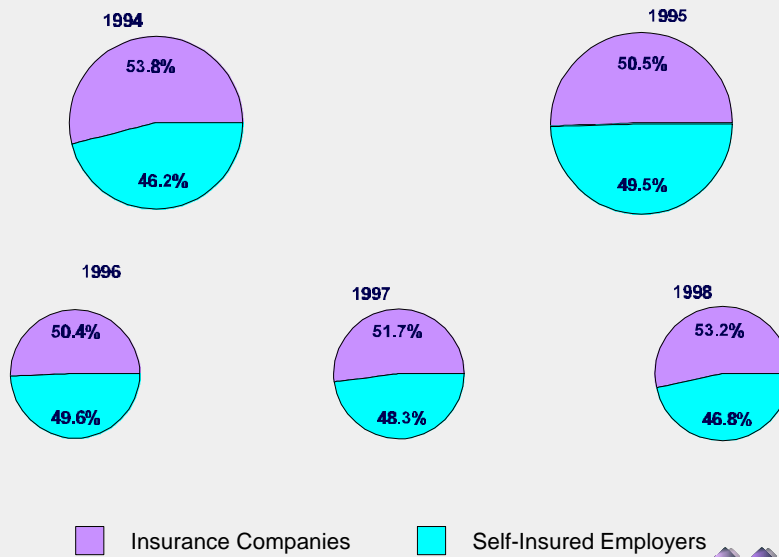
## Average Redemption Amounts

### Michigan Workers' Compensation



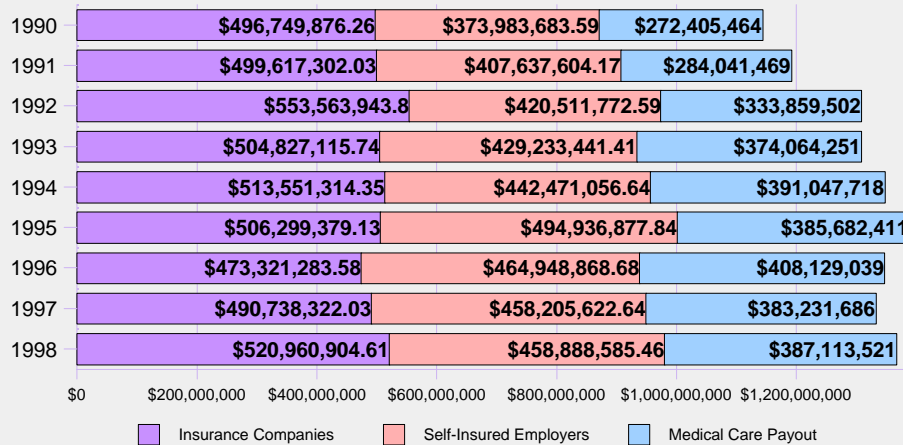
## Indemnity Payments 1994-1998

### Michigan Workers' Compensation



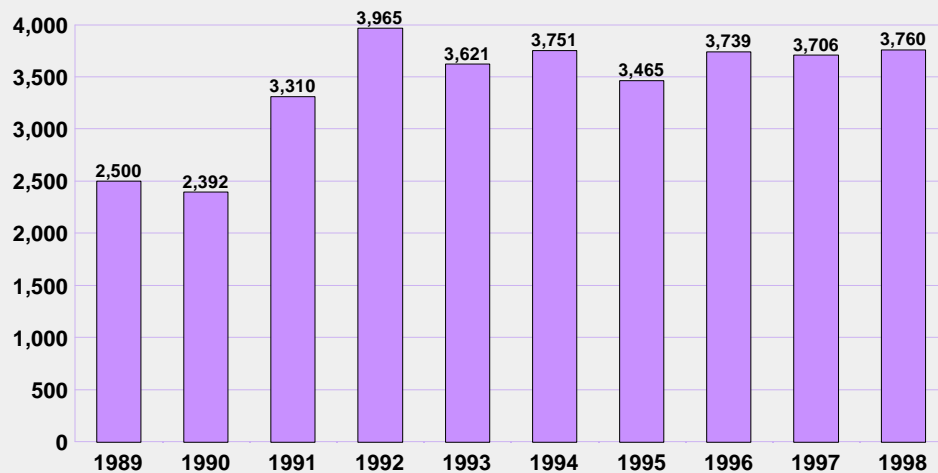
## Payout in Workers' Compensation Benefits and Medical Care 1990-1998

### Michigan Workers' Compensation



## Vocational Rehabilitation Programs Closed By Return to Work

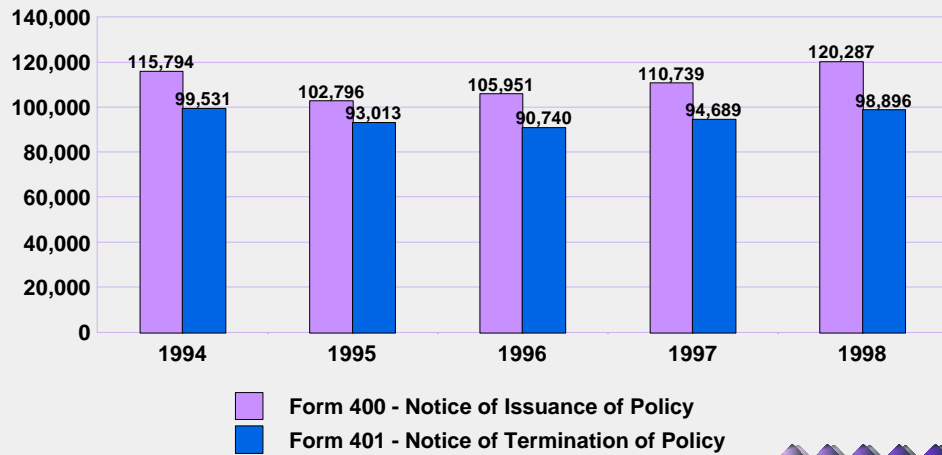
### Michigan Workers' Compensation





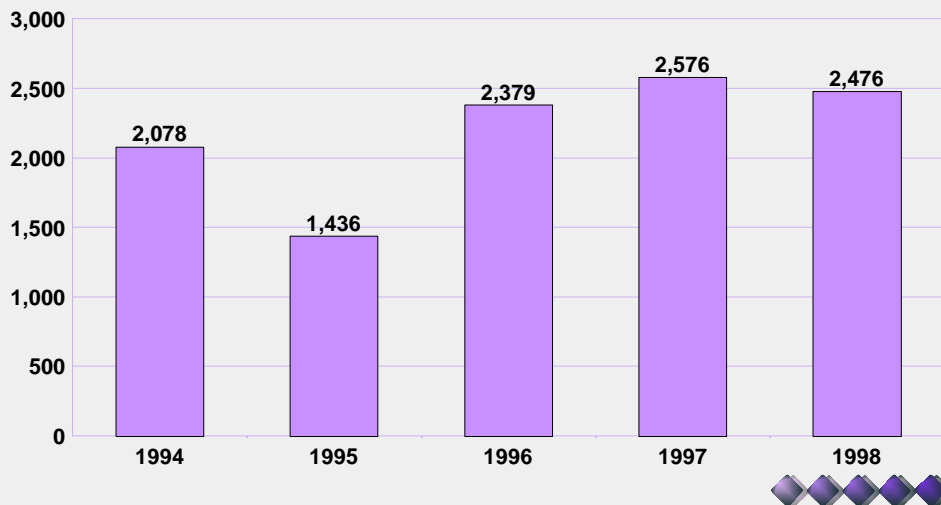
## Forms 400 & 401 Received

### Michigan Workers' Compensation



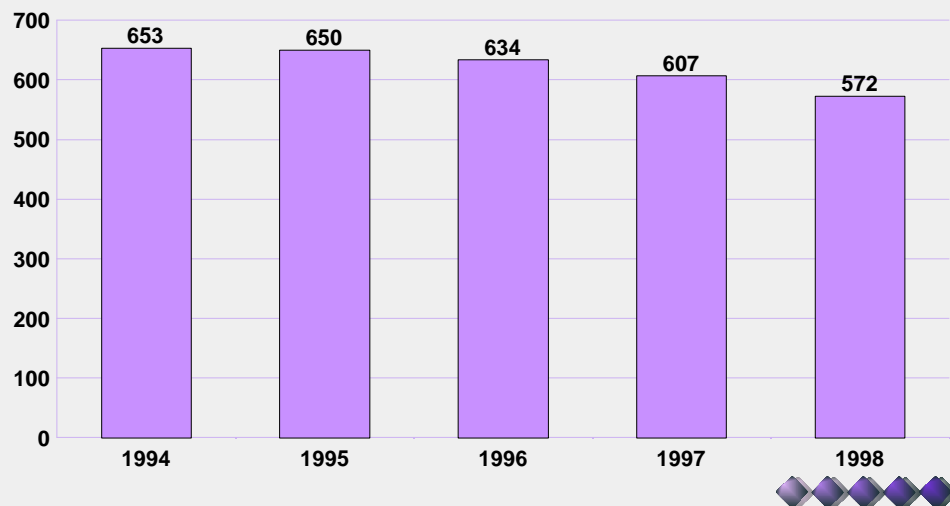
## Exclusion Forms Processed

### Michigan Workers' Compensation



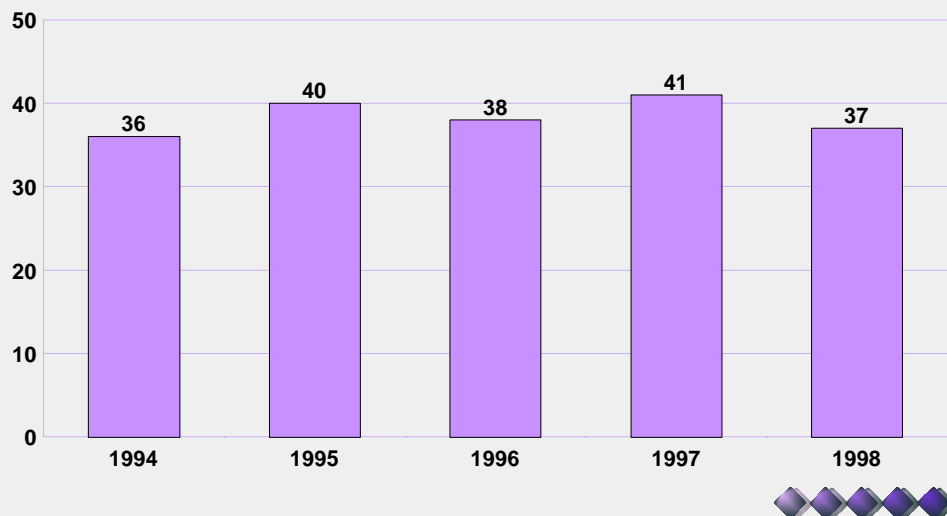
## Number of Approved Self-Insured Employers

### Michigan Workers' Compensation



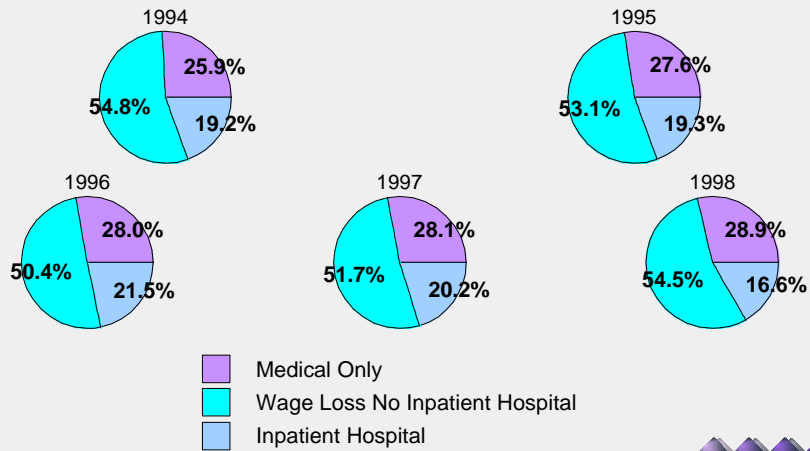
## Number of Approved Group Self-Insured Programs

### Michigan Workers' Compensation



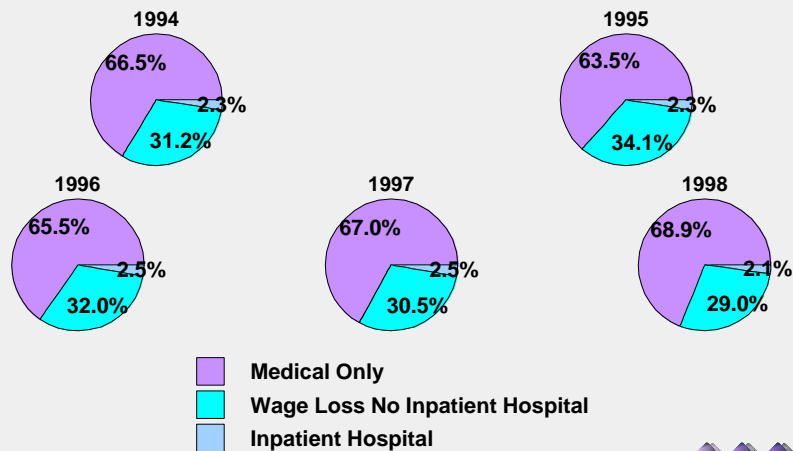
## Health Care Costs Amount Paid

### Michigan Workers' Compensation



## Health Care Costs Number of Cases

### Michigan Workers' Compensation



**Workers' Compensation Health Care Costs  
January 1993 - December 1998**

TYPE OF CASE	JAN-JUNE 1993*	JULY-DEC 1993	JAN-JUNE 1994	JULY-DEC 1994	JAN-JUNE 1995	JULY-DEC 1995**	JAN-JUNE 1996	JULY-DEC 1996***	JAN-JUNE 1997	JULY-DEC 1997****	JAN-JUNE 1998	JULY-DEC 1998
<b>Medical Only</b>												
Number of Cases	180,442	177,730	177,247	169,473	183,686	165,823	182,129	167,663	170,334	152,812	173,109	162,667
Amount Paid	\$48,359,555	\$51,704,898	\$50,237,902	\$51,157,505	\$56,011,236	\$50,443,474	\$57,385,626	\$57,059,988	\$56,105,049	\$51,843,308	\$55,536,959	\$56,292,257
Cost/Case	\$268	\$291	\$283	\$302	\$305	\$304	\$315	\$340	\$329	\$339	\$321	\$346
<b>Wage Loss No Inpatient Hosp</b>												
Number of Cases	79,446	76,814	85,819	77,015	100,305	87,351	101,732	68,981	80,094	66,880	71,091	70,243
Amount Paid	\$101,256,990	\$100,683,109	\$108,263,596	\$106,122,002	\$108,606,393	\$96,038,018	\$106,949,403	\$98,851,012	\$102,789,092	\$95,664,759	\$100,678,618	\$110,327,924
Cost/Case	\$1,275	\$1,311	\$1,262	\$1,378	\$1,083	\$1,099	\$1,051	\$1,433	\$1,283	\$1,430	\$1,416	\$1,571
<b>Inpatient Hospital</b>												
Number of Cases	7,506	6,235	6,357	5,539	7,215	5,626	7,478	5,914	6,554	5,550	5,008	5,087
Amount Paid	\$38,346,133	\$33,713,565	\$37,480,042	\$37,786,671	\$41,610,912	\$32,972,377	\$48,561,968	\$39,321,041	\$41,642,830	\$36,089,875	\$30,932,084	\$33,345,679
Cost/Case	\$5,109	\$5,407	\$5,896	\$6,822	\$5,767	\$5,861	\$6,494	\$6,649	\$6,354	\$6,502	\$6,177	\$6,555
<b>TOTAL</b>												
Number of Cases	267,394	260,779	269,423	252,027	291,206	258,800	291,339	242,558	256,981	225,242	249,208	237,997
Amount Paid	\$187,962,678	\$186,101,573	\$195,981,540	\$195,066,178	\$206,228,542	\$179,453,869	\$212,896,997	\$195,232,041	\$200,536,972	\$183,597,942	\$187,147,661	\$199,965,860
Cost/Case	\$703	\$714	\$727	\$774	\$708	\$693	\$731	\$805	\$780	\$815	\$751	\$840

\* New hospital ratio

\*\* New hospital ratio and E&M increase

\*\*\* New hospital ratio and RBRVS implementation

\*\*\*\* New practitioner fees became effective on September 1, 1997

## Funds Administration 1998 Assessments

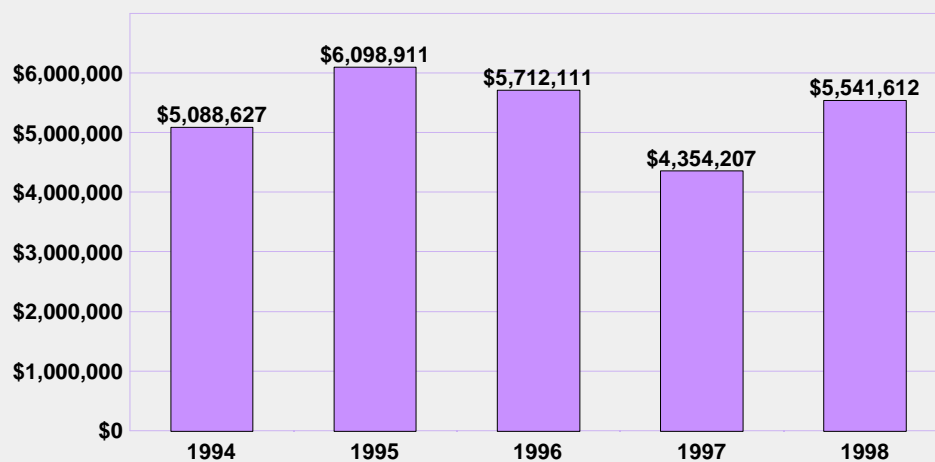
### Michigan Workers' Compensation

	1998
Second Injury Fund	\$21,753,435
Silicosis, Dust Disease & Logging Industry Compensation Fund	\$2,682,315
Self-Insurers' Security Fund	\$0



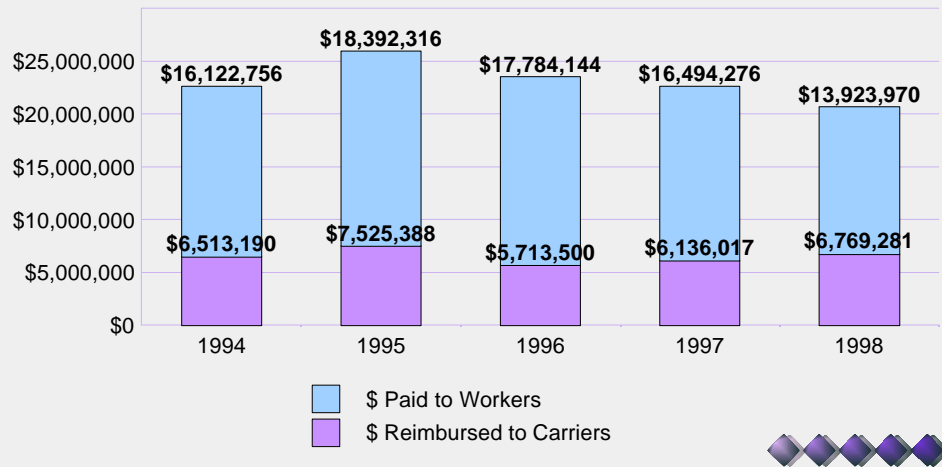
## Benefits Reimbursed to Carriers by the Silicosis, Dust Disease and Logging Industry Compensation Fund

### Michigan Workers' Compensation



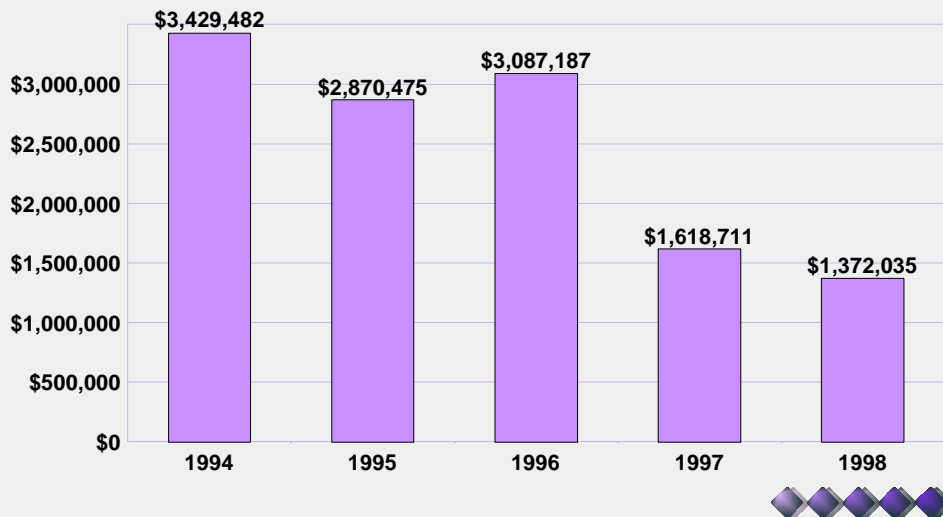
## Benefits Paid Out by Second Injury Fund

### Michigan Workers' Compensation



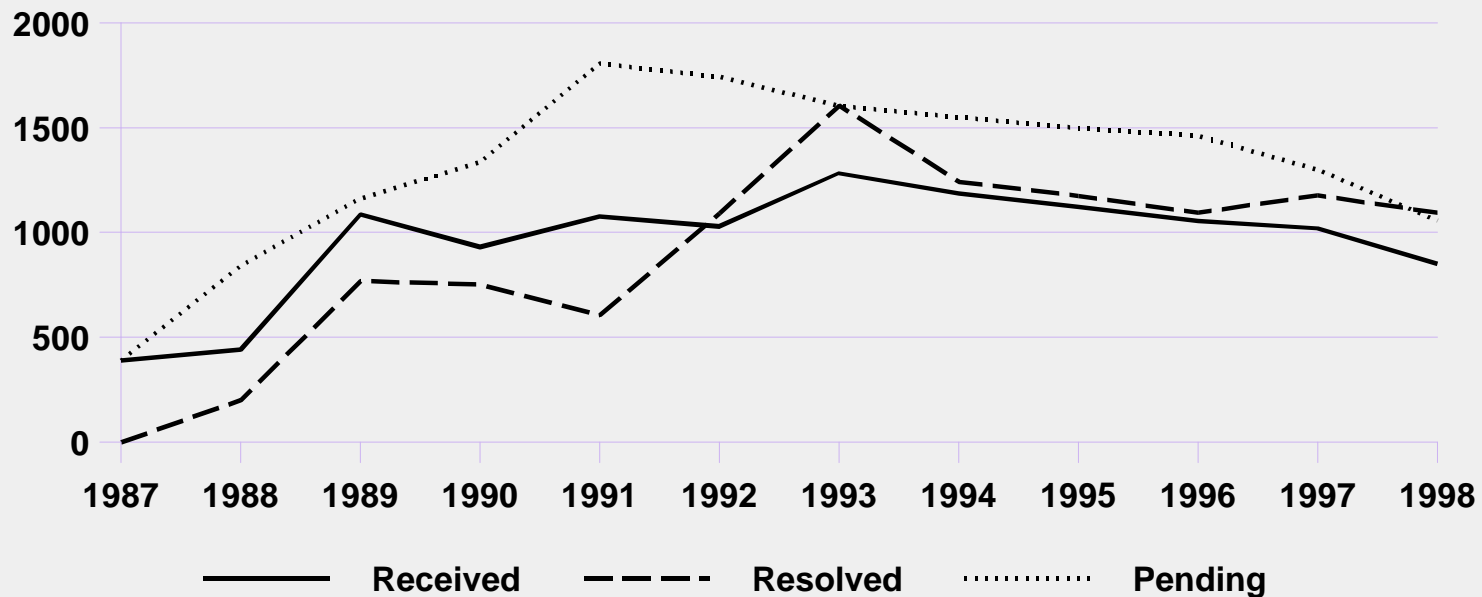
## Benefits Paid to Workers by the Self- Insurers' Security Fund

### Michigan Workers' Compensation



# Appellate Commission Caseload Activity

## Michigan Workers' Compensation



Received	391	442	1088	931	1077	1028	1283	1188	1124	1057	1018	852
Resolved	0	202	768	755	607	1092	1607	1243	1175	1095	1179	1097
Pending	391	842	1162	1338	1808	1744	1607	1552	1501	1463	1302	1057



## ***Publications***

<i>Publication</i>	<i>Printed Copies Available from Bureau</i>	<i>Information Available on Website</i>
Workers' Disability Compensation Act	X	X
Administrative Rules	X	X
1998 Annual Report	X	X
1997 Annual Report	X	X
1996 and Prior Year Annual Reports	X	--
Overview of Workers' Compensation in Michigan	X	X
A Summary of Your Rights and Responsibilities Under Workers' Disability Compensation (Pamphlet)	X	X
Coverage Questions for Subcontractors, General Contractors, and Independent Contractors	X	X
Vocational Rehabilitation for Injured Workers (Pamphlet)	X	X
Approved Vocational Rehabilitation Facilities	X	X
Health Care Services Rules Order Form	X	X
1999 Weekly Benefit Rate Book	X	--
Calculation Program	X	X
Individual Self-Insured Employer Listing	X	X
Active Self-Insured Group Listing	X	X
Workers' Compensation Appellate Commission Opinions	X	X
Michigan Workers' Compensation Forms	X	Most claims forms